Despite the fact the prospects for the overthrow of the Hoxha regime in the near future are not promising. Albania, nevertheless constitutes a problem of current importance in the Eastern Mediterranean. This arises particularly out of Albania's strategic location on the shores of the Adriatic. Naval forces based on Saseno Island and the part of Valona, for example, could readily control the Adriatic. For the Soviet Union, Albania represents an advance base which, with proper development, could be used for Soviet air and naval forces in the Mediterranean. Saseno island was, in fact, an Italian submarine base and there have been recurrent rumors in the part post war years of Soviet efforts to reconstruct these facilities. There is no confirmed evidence, however, of such extensive efforts or of the island actually being used as a base. Similarly, there is no confirmed evidence of Soviet efforts to build up Albanian air facilities, a step which would greatly

enhance Soviet air power in the Mediterranean. of mill be probable to possible Soviel Salelle along against Jugoslavia In the amend of wer in the Balkan, could be play an important rate in Southan Satellite strating. Motorly does it provide an action of base on the adriale, fully forces from Butgaria al albana could of feel a juntine i the ranou parto of figoronia month of the and off from Greece, and effrond forces (presumably Sovied) were avoid able to commond the Straits of strants, to adriate could be closed as a line of supply to Jugarlavia. Despit & obvious Societ interests in alleria, the USSR, appointly in a clime to have the situation fluid and potentially authorizing commitment, her failed to conclude mutual assistance part will albair ? In fact albaria 1. The distance between Bulgaria a O albaria in this

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Les Devenber 1947), a step which at the me reported prebining to the project Bolken Februarion at clib time of Dimitron. This land of Soviel or Sotillate commitments to alborious should not be interpreted as enclosing of but of interpreted as enclosing of but of interpreted as enclosing of but af interpreted or covern; it is rather a matter of sexpectioning.

Conflicting Interests of Italy, Yugoslavia and Greece.

Largely because of its commanding position on the Adriatic coast, Albania is an object of concern to its neighbors and their individual interests conflict, to such an extent that, even under present circumstances, the problem of Albania complicates the development of good relations and cooperation among the contribution. Italy, Yugoslavia and Greece.

Somplets cooperation in white planning by the contra would be highly desirable for the effective affect and southeaster Europe and the content Mosul stype me amenaphyved for Roberts and stype me amenaphyved for Roberts and Roberts and the contract of the

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recently been vague indications that Dresso and Upongoslavia might be willing to an charge with allege and and make undam arrandament of alberia, some of thempul as Treate for example, of greater importance, which without against the disclopment of coorporative defense of facts, but there are legal the scope of this paper.

Italian interests

Italy's interest in Albania has always been primarily strategic in nature, seeking to prevent any other power from dominating the Adriatic through control of the Albanian coast. For this reason, Italy supported the creation of an independent Albania in 1912 and later, in 1914, occupied the island of Saseno and Italian troops remained in occupation until 1920, at which time they were forced to evacuate the mainland, but 3 retained Saseno which was converted into a strong naval and submarine base. In 1921, the Conference of Ambassadors (Great Britain, France, Italy and Japan) signed an agreement giving Italy a virtual protectorate over Albania. Italian influence even manifested by financial loans, Italian management of nearly all important economic enterprises, and Italian training and equipping of the armed forces. [In its official statements, the Italian Foreign Office has emphasized that continued Albanian independence and territorial integrity correspond with Italian interests, but Italian efforts to improve relations have made no progress with the present Communist regime. In 1939, Mussolini united Albania with Italy, and in 1940, launched his invasion of Greece from there.

Under the Italian Peace Treaty (1947), Italy recognized the independence of Albania, ceded Saseno island, and renounced all public and private property rights, concessions, claims, etc. in Albania.

Italian policy towards Albania since the end of the war and signature of the Peace Treaty has been directed at a dual objective: the denial of the area to other powers and the restoration of Italian economic and political influence in Albania Tetalian economic and political Approved For Release 2000/09/49: Telair DP79R01042/6001200019-6

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soon after the war to examine questions of interest to both countries, but was soon asked to leave. Diplomatic relations were reestablished in 1949 and despite Communist restrictions on the Italian Legation in Tirana, Italy undoubtedly interest intends to retain such relations.

Under present circumstances, Italian policy is of necessity directed toward the future, and Italy hopes to reestablish its influence through the pro-Italian exile groups, wiloku Kombetar Independent. Italy is particularly apprehensive of Yugoslav pre-eminence in Albania in the event the Hoxha regime should be overthrown at some future date. Italian strategic interests in Albania are sufficiently great and its desire to avoid the establishment of a foothold in Albania by any other power is sufficiently strong that Italy probably prefers continuation of the status quo to the creation of a power vacuum into which Yugoslavia and, possibly Greece, could move. In this connection, Italy is also suspicious of British intentions vis-a-vis Albania.

Greek interests

Greek interests in Albania center around Greek claims to southern
Albania (Northern Epirus), an area which the Greeks occupied from 1912
to 1916 and which they have consistently claimed on historical, ethnic,
strategic and economic grounds. The Greeks also are acutely aware that
Albania served as a base for the Italian attack on Greece in 1940 and, in the
post war years, for Greek guerrillam operations. Even at present, Albania
is the major base from which Communist agents are infiltrated into Greece.

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The Greeks probably look on partition of Albania between Greece and Yugoslavia as the ixel ideal solution to the problem. They are exprehensive of possible Yugoslav or Italian domination of the country, and would probably attempt to occupy Northern Epirus in the event of any such military action in the area as a Yugoslav invasion of Albania. For the present, lacking any allied assurances against possible Italian or Yugoslav domination of Albania, Greece probably prefers continuation of the status quo, at least so long as the Hoxha regime does not revive full scale support to the Greek guerrillas.

Greece, like Italy and Yugoslavia, is attempting to further its policy through the use of Alba ian refugees. Those in Geeece are primarily from southern Albania and are apparently concentrated in camps along the Albanian border. The Greek government does not permit them to emigrate or to become Greek citizens. Some of those in the camp at Yannina are reported to be formed into military units, intended for use in southern Albania in the event of any eventuality.

Yugoslavi interests

Yugoslavia, and before it Serbia and Montenegro, has always opposed the principle of an independent Albania. During and immediately after World War I the Serbs occupied northern Albania and did not withdraw until 1921. In 1926, Yugoslavia finally accepted the Albanian frontier as delineated in 1913k Until the outbreak of World War II, Italian domination of Albania

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was sufficient to prevent Yugoslavia from exercising any influence in Albania.

This situation changed radically during World War II when XXX Tito, through Albanian Communist, managed to obtain control of the Albanian National Liberation Movement. During the war, Tito's control was exercised largely through emissaries attached to the headquarters of the Albanian Army of National Liberation, and, from 1944 to 1945, Albania was a puppet of Yugoslavia. In 1948, Hoxha was able to extricate Albania from its ties with Yugoslavia, largely because the nature of the Tito-Cominform rift and the circumstances surrounding it.

Bince 1948, Tito has ostensibly championed the principle of an independent, sovereign Albania and has condemned Greek territorial claims and alleged Greek proposals for the partition for of Albania between Greece and Yugoslavia. In the past several months, Yugoslav propaganda has also charged Italy with encouraging Albanian exile plans for an "ethnic" Albania which would include the Yugoslav provinces of Kosovo and Metohiya, both populated chiefly by Albanians. Tito's actual intentions appear to be status of 1944-1948. It was apparently to this end that the "League of Albanian Political Refugees in Yugoslavia" was formed in May 1951. Of the status of 1944-1948. It was apparently to this end that the "League of Albanian Political Refugees in Yugoslavia" was formed in May 1951. Of the status of the status

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